

# Medlearn Matters

## Information for Medicare Providers



Related Change Request (CR) #: 3099

Medlearn Matters Number: MM3099

Related CR Release Date: February 6, 2004

Related CR Transmittal #: R88CP

Effective Date: July 1, 2004

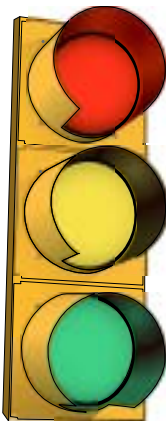
Implementation Date: July 5, 2004

### *MMA-Implementation of Section 414 of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003*

#### Providers Affected

Ambulance suppliers

#### Provider Action Needed



##### **STOP – Impact to You**

The new Medicare Prescription Drug, Improvements, and Modernization Act of 2003 (MMA) makes a number of important changes to Medicare payment for ambulance services rendered on or after July 1, 2004.

##### **CAUTION – What You Need to Know**

During the five-year period, July 1, 2004 – December 31, 2009, the Fee Schedule will include certain temporary increases in payments.

##### **GO – What You Need to Do**

Make sure your billing staff understands the new changes and bill according to those changes to assure receipt of accurate payment.

#### Background

The MMA provides several changes to the payment for ground ambulance services under Section 414 of the Act. Specifically, this section establishes a floor amount for the fee schedule portion of the payment, provides increased payments for urban and rural services, adds an increased payment for ambulance transports originating in certain low density population areas, and provides a 25 percent bonus on the mileage rate for ground transports of 51 miles or greater. These payment changes apply to ground transports only and the air ambulance base rates and mileage rates remain unchanged.

More details on these changes are as follows:

##### **Disclaimer**

Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

### Regional Ambulance FS Payment Rate Floor for Ground Ambulance Transports

To discuss these changes further, we begin with the provision regarding the regional ambulance fee Schedule (FS) payment rate floor for ground transport services. For services furnished during the period of July 1, 2004, through December 31, 2009, the base rate portion of the payment under the ambulance FS for ground transports is subject to a minimum amount. This minimum depends upon the area of the country in which the service is furnished. Basically, the country is divided into 9 census divisions and each of those divisions has a regional FS that is constructed using the same methodology as the national FS. Where the regional FS is greater than the national FS, the base rates for ground ambulance transports are determined by a blend of the national FS rate and the regional rate in accordance with the following schedule:

Year	National FS Percentage	Regional FS Percentage
7/1/04 - 12/31/04	20%	80%
CY 2005	40%	60%
CY 2006	60%	40%
CY 2007 – CY 2009	80%	20%
CY 2010 and thereafter	100%	0%

Where the regional rate is not greater than the national rate, there is no blending and only the national FS amount applies.

### Adjustment to the Ground Mileage Payment Amount for Miles Greater than 50

For services furnished during the period July 1, 2004 through December 31, 2008, a 25 percent increase is applied to the appropriate ambulance FS mileage rate for each mile of a transport (both urban and rural points of pickup (POP) that exceeds 50 miles (i.e., 51 miles or greater) when the beneficiary is onboard the ambulance.

### Adjustments for FS Payment Rate for Certain Rural Ground Ambulance Transports

For services furnished during the period July 1, 2004 through December 31, 2009, the base rate of the payment under the FS for ground ambulance transports furnished in certain rural areas is increased by an amount determined by the Centers for Medicare & Medicaid Services (CMS). This increase applies where the POP is in a rural county (or Goldsmith Area) that is comprised by the lowest quartile by population of all such rural areas arrayed by population density.

### Adjustments for FS Payment Rates for Ground Ambulance Transports

The payment rates under the FS for ground ambulance transports (both the FS base rates and the mileage amounts) are increased for services furnished during the period of July 1, 2004, through December 31, 2006. For services furnished where the POP is urban, the rates are increased by 1 percent and for services furnished where the POP is rural, the rates are increased by 2 percent.

#### Disclaimer

Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

### Important Dates

These changes will sunset on different dates but all apply beginning with services furnished on July 1, 2004.

### Additional Information

For further information, you may wish to view the actual instruction issued to your Medicare contractor. That instruction can be seen at:

[http://www.cms.hhs.gov/manuals/pm\\_trans/R88CP.pdf](http://www.cms.hhs.gov/manuals/pm_trans/R88CP.pdf)

#### Disclaimer

Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.